

COOL SOLUTIONS from COOL DAVIS



This planning guide is one in a series that offers Cool Solutions on home heating and cooling and energy efficiency. The full series of documents will be available on the Cool Davis website. This document is provided as general guidance and is not intended to be legal, financial, or technical advice.

Home Energy Improvements: Ways to Save, Ways to Pay

Paying for a new HVAC system or home energy efficiency improvements can be expensive. Fortunately, several options besides cash or conventional bank financing can help reduce the cost of your investment.

Ways to Save: Rebates

California residents are eligible for rebates on a variety of home energy efficiency retrofit measures as well as HVAC replacements (see resources below). Keep in mind these rebate programs require homeowners to complete a number of improvements or meet a before-and-after performance test. Requirements may also change periodically. Finally, don't forget that California law requires rebate applicants to use a licensed contractor, and comply with relevant state and local building codes and permitting requirements.

Most HVAC and energy efficiency rebates are sponsored by the State of California and administered by utilities, such as PG&E. Some rebates require using pre-approved contractors to handle the installation, so be sure your contractor is on the approved list if you want to take advantage of rebates.

Ways to Pay

Traditional loans

Ask at local credit unions and banks about special green home equity loans with low interest rates, 100% financing, and interest payments that can be written off with your taxes. Some also have special unsecured loans, like those used to buy a car, that are paid over 10 years with a fixed interest rate. Be sure to ask for a calculation based on the total cost of the project (a new HVAC system and energy efficiency improvements) including interest for the proposed financing option. You might end up paying 25% more in the end, depending on the interest rate. Good financing options should only increase your total cost by 3 to 8% plus inflation.

PACE financing

PACE stands for Property Assessed Clean Energy. PACE program financing allows qualified homeowners to finance HVAC, renewable energy, and water and energy efficiency upgrades over time through an addition to their property tax bill. PACE loans are essentially liens on the property paid back through property taxes over a

set period up to 30 years. PACE financing usually requires a homeowner to have at least 10% equity in the home. Since you own the system, you may be eligible to take advantage of tax credits, rebates, and exclusions. If the property is sold, the next homeowner continues to pay for the improvements through the property tax addition. Links to individual PACE programs approved for operation in Davis are provided below.

Remember:

- Be sure to ask if your contractor participates in utility and local rebate programs and will handle the paperwork for you.
- If you are contemplating using PACE financing, it is critical to know in advance if your contractor participates in PACE programs available in Davis.

Start by reducing energy consumption

There are lots of ways to reduce your energy demand that put less pressure on your wallet as well as your HVAC system.

- Switch to LEDs for lighting.
- Put up exterior shades on south and west facing windows.
- Open windows at night to cool the interior space, especially in upstairs rooms. (Remember, safety is a priority when leaving windows open.)
- Keep windows and doors closed when the HVAC system is running.
- Put home entertainment and office electronics on smart switches.

DID YOU KNOW? Routinely replacing or cleaning air filters can lower an air conditioner's energy consumption by 5 to 15 percent.

RESOURCES

Don't leave money on the table! Check out all your rebate and financing options below

PG&E REBATES

“Save Energy and Money: Make your home more energy efficient and get up to \$5,500 in rebates”

Note: Before starting a project, check that these programs are still current.

PG&E Home Upgrade Program

https://www.pge.com/en_US/residential/save-energy-money/savings-programs/home-upgrade/home-upgrade.page

PG&E Rebates by Product

https://www.pge.com/en_US/residential/save-energy-money/savings-solutions-and-rebates/rebates-by-product/rebates-by-product.page

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PACE Programs Available in Davis

CaliforniaFirst www.renewfinancial.com/product/californiafirst

HERO www.heroprogram.com/Sacramento

YGRENE www.ygrene.com

Misc Resources

Contractors State Licensing Board www.cslb.ca.gov/

Cool Davis Rebates and Incentives www.cooldavis.org/resources/incentives-and-rebates/

City of Davis Conservation Rebates cityofdavis.org/city-hall/public-works/water/water-conservation/conservation-rebates

Other Cool Solutions Home Heating and Cooling Planning Guides

- Understanding Home Heating and Cooling
- Make a Home Heating and Cooling Plan ... Now
- Help! My HVAC System Is Down!
- Home Comfort and Health Issues
- Working with Contractors
- Home Heating and Cooling Commonly Used Terms

What is Cool Davis?

Cool Davis is a local non-profit organization dedicated to helping Davis residents and businesses adopt more sustainable practices and reduce their greenhouse emissions. Cool Davis has partnered with the city since 2010 to offer resources, host events, and provide outreach and educational experiences for Davis residents.

To learn more about other Cool Davis projects related to energy, transportation, and consumption of goods and services, visit us at www.cooldavis.org.

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